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December 29, 2008

The Honorable Charles L.A. Terreni
Chief Clerk / Administrator
Public Service Commission of South Carolina
P.O. Box 11649
Columbia, SC 29211

RE: Application of Water Head, LLC, for Acquisition of Water System at
Gauley Falls Subdivision, Pickens County, and for Expansion of Service
Area (SCPSC Docket No. 2008-270-W)

Dear Mr. Terreni:

On behalf of Water Head, LLC ("the Company"), I am writing to advise the Commission of developments with respect to the Company as they might pertain to certain provisions of Order No. 2008-727, which the Commission published on November 6, 2008.

The Company has entered into negotiations with a potential purchaser ("the Purchaser") for the sale and transfer of the Company's water system, which was the subject of the Order No. 2008-727. On December 18, 2008, I advised the Commission of that fact and requested an extension of time for the Company to file a performance bond as Order No. 2008-727 required. The Purchaser intends to submit a performance bond to satisfy the requirements of Order No. 2008-727 with the application of approval of the transfer of the Company's water system. That filing will occur prior to the expiration of the requested extension of time.

In addition, Order No. 2008-727 requested the Office of Regulatory Staff ("ORS") to report on the status of a monetary penalty that is the subject of a Settlement Agreement, dated June 27, 2007, between ORS and the Company in Docket No. 2006-64-W/S. Based on recent discussions, ORS and the Company propose to amend that Settlement Agreement to waive the imposition of that monetary penalty. Upon execution of the appropriate amendment to the Settlement Agreement, the provision in Order No. 2008-727 requesting ORS to report on the status of the monetary penalty will no longer be applicable. I understand that ORS will agree with my description in this matter and will respond to it with an appropriate reply to the Commission's request for reporting on the status of the penalty.

If you have any questions with respect to this matter, please do not hesitate to contact me.

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The Honorable Charles L.A. Terreni
December 29, 2008
Page 2

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ATTORNEYS

Very truly yours,

A handwritten signature in black ink, appearing to read "Robert T. Bockman". The signature is fluid and cursive, with the first name "Robert" being more prominent than the last name "Bockman".

Robert T. Bockman

RTB/ym

cc: Jeffrey M. Nelson